

AMENDED IN SENATE MARCH 25, 2010

SENATE BILL

No. 1241

Introduced by Senator Wolk

February 19, 2010

An act to add Part 8 (commencing with Section 38600) to Division 25.5 of the Health and Safety Code, relating to greenhouse gas emissions.

LEGISLATIVE COUNSEL'S DIGEST

SB 1241, as amended, Wolk. Greenhouse gas emissions reduction: agriculture: grant program.

Existing law sets forth various powers and duties of the Secretary of Food and Agriculture and the Department of Food and Agriculture. Existing law, the Cannella Environmental Farming Act of 1995, requires the department to establish and oversee an environmental farming program to provide incentives to farmers whose practices promote the well-being of ecosystems, air quality, and wildlife and their habitat, and requires the secretary to convene a Scientific Advisory Panel on Environmental Farming for the purpose of providing advice and assistance to federal, state, and local government agencies on issues relating to air, water, and wildlife habitat.

This bill would require the secretary to administer an unspecified percentage of certain funds, which are subject to appropriation by the Legislature, in consultation with the California Agricultural Climate Benefits Advisory Committee, which the bill would require the secretary to establish, as specified, to be used for costs of administration or grants, as provided, to reduce greenhouse gas emissions in the state's agricultural sector. *Members of the advisory committee would be required to recuse themselves under certain circumstances, and the*

failure to do so would be a misdemeanor. By creating a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) California agriculture is a \$37 billion per year industry, one
4 of the state's largest and most significant industries. California
5 agriculture supplies 90 percent of the nation's almonds, apricots,
6 raisins, olives, pistachios, walnuts, and wine grapes, and more than
7 one-half of the country's fruit and vegetables.

8 (2) Dependent on land and natural resources, California
9 agriculture is uniquely vulnerable to global warming. Global
10 warming poses a serious threat to California agriculture with rising
11 temperatures, increases in extreme weather events, reduced winter
12 chilling hours, drier conditions, and rising sea levels.

13 (3) California agriculture is also uniquely positioned to provide
14 climate benefits by reducing greenhouse gas emissions. Research
15 funded by the California Energy Commission's Public Interest
16 Energy Research (PIER) program suggests that some agricultural
17 practices will not only reduce greenhouse gas emissions, but they
18 may also help to sequester atmospheric carbon in the soil.
19 Atmospheric carbon sequestration is an important strategy to help
20 meet the state's greenhouse gas emissions targets.

21 (4) Steps taken by California agriculture to reduce greenhouse
22 gas emissions and sequester atmospheric carbon can provide other
23 important environmental cobenefits, such as improved air and
24 water quality, water conservation, and enhanced wildlife habitat.

25 (b) It is therefore the intent of the Legislature to enhance the
26 long-term viability of California agriculture by supporting activities

1 that reduce global warming impacts that may negatively impact it
2 and the rest of the state.

3 (c) It is further the intent of the Legislature that the Department
4 of Food and Agriculture, pursuant to this act, support California
5 agriculture in pursuing voluntary reductions in greenhouse gas
6 emissions and atmospheric carbon sequestration.

7 SEC. 2. Part 8 (commencing with Section 38600) is added to
8 Division 25.5 of the Health and Safety Code, to read:

9
10 PART 8. GREENHOUSE GAS EMISSIONS REDUCTION
11

12 38600. The purpose of this part is to ensure that California
13 maximizes its opportunities to achieve voluntary greenhouse gas
14 emission reductions in the state's agricultural sector while also
15 achieving environmental cobenefits.

16 38601. *For the purposes of this part, the following terms have*
17 *the following meanings:*

18 (a) "Advisory committee" means the California Agricultural
19 Climate Benefits Advisory Committee created pursuant to Section
20 38604.

21 (b) "Environmental cobenefits" means benefits or improvements
22 to the environment, including, but not limited to, water
23 conservation, improved air or water quality, increased soil organic
24 matter and enhanced wildlife habitat, that occur as a result of
25 reduced greenhouse gas emissions or sequestration of atmospheric
26 carbon through agricultural technologies, practices, or farming
27 systems.

28 (c) "Farm product" has the same meaning as in Section 55403
29 of the Food and Agricultural Code.

30 (d) "Processor" has the same meaning as in Section 55407 of
31 the Food and Agricultural Code.

32 (e) "Producer" has the same meaning as in Section 55408 of
33 the Food and Agricultural Code.

34 (f) "Secretary" means the Secretary of Food and Agriculture.

35 ~~38601.~~

36 38602. Notwithstanding any other law, not less than ____
37 percent of funds generated pursuant to either of the following shall
38 be made available, upon appropriation by the Legislature, to fund
39 activities consistent with this part that will reduce greenhouse gas
40 emissions in the state's agricultural sector:

(a) Revenues generated by fees imposed pursuant to compliance mechanisms adopted by the State Air Resources Board and paid by the sources of greenhouse gas emissions regulated pursuant to this division.

(b) Funds from federal climate change programs that are dedicated to or otherwise accrue to the state for climate change projects and programs that are consistent with the purposes of this part.

~~38602.~~

~~38603.~~ Funds made available pursuant to Section ~~38601~~ 38602 shall be administered by the secretary, in consultation with the advisory committee established pursuant to Section ~~38603~~ 38604, and may be used for either of the following:

(a) The cost of administering this part.

(b) Grants for any of the following:

(1) Research and demonstration projects that reduce greenhouse gas emissions or sequester atmospheric carbon through agricultural technologies, practices, or farming systems and provide environmental cobenefits, including, but not limited to, water conservation, improved air or water quality, increased soil organic matter, and enhanced wildlife habitat. Eligible recipients may include environmental cobenefits. Eligible recipients may include California producers, California institutions of higher education, state or local agencies, and nonprofit organizations.

(2) Technical assistance, which shall include, but not be limited to, development of outreach and training programs to assist agricultural producers in adopting agricultural technologies, practices, or farming systems that reduce greenhouse gas emissions or sequester atmospheric carbon and provide environmental cobenefits, including, but not limited to, water conservation, improved air or water quality, increased soil organic matter, and enhanced wildlife habitat. Eligible recipients may include cobenefits. Eligible recipients may include California institutions of higher education, state or local agencies, and nonprofit organizations with a demonstrated capacity to deliver technical assistance to California agricultural producers.

(3) Financial incentives for California agricultural producers to do any of the following:

(A) Generate greenhouse gas emission reductions that may not be economically viable as an offset project.

1 (B) Demonstrate and test new or uncertain methods to reduce
2 greenhouse gas emissions or sequester atmospheric carbon.

3 (C) Be an early adopter of agricultural technologies, practices,
4 or farming systems that reduce greenhouse gas emissions or
5 sequester atmospheric carbon.

6 *(4) Research and demonstration projects, technical assistance*
7 *and financial incentives for California processors to reduce*
8 *greenhouse gas emissions from their facilities through energy*
9 *efficiency, renewable energy, or processing efficiencies. In*
10 *recommending and selecting projects from this category, the*
11 *advisory committee and secretary shall give preference to those*
12 *projects that include environmental cobenefits.*

13 (c) Grant funds shall be divided equally across all ~~three~~ *four*
14 grant categories, as described in subdivision (b), unless the
15 secretary determines, in consultation with the advisory committee
16 established pursuant to Section ~~38603~~ 38604, that a different
17 apportionment of funds would best serve the purposes of this part.

18 *(d) Notwithstanding subdivision (c), not more than 25 percent*
19 *of grant funds shall be awarded to projects for processors as*
20 *described in paragraph (4) of subdivision (b).*

21 ~~38603.~~

22 38604. (a) Not later than July 1, 2011, the secretary shall
23 establish the California Agricultural Climate Benefits Advisory
24 Committee to achieve the purposes of this part. The secretary shall
25 appoint its members as follows:

26 (1) Five members who are agricultural producers, including at
27 least two certified organic producers.

28 (2) Three members who are researchers with an institution of
29 higher education with expertise in agriculture and climate change.

30 (3) Three members from nonprofit organizations with expertise
31 in climate change and agriculture.

32 (4) One ex officio member from each of the following public
33 agencies:

34 (A) Department of Conservation.

35 (B) State Air Resources Board.

36 (C) United States Department of Agriculture, Natural Resources
37 Conservation Service.

38 (D) United States Environmental Protection Agency, Region
39 IX.

(b) Each advisory committee member shall designate his or her alternate, who shall meet the same qualifications identified in subdivision (a) as the member for whom the alternate is serving. An alternate member shall serve at an advisory committee meeting only in the absence of, and shall have the same powers and duties as, the member for whom he or she is designated as an alternate, except for duties and powers as an officer of the committee. The number of alternates present who are not serving in the capacity of a member shall not be considered in determining a quorum.

(c) An alternate member may serve at an advisory committee subcommittee meeting only in the absence of, and shall have the same powers and duties as, the member for whom he or she is designated as an alternate, except for duties and powers as a subcommittee chairperson.

(d) The members and alternates of the advisory committee shall serve without compensation but shall be reimbursed for the reasonable expenses actually incurred in the performance of their duties, as determined by the advisory committee and approved by the secretary.

(e) The secretary shall appoint the members of the committee from nominations by interested persons and organizations with expertise in agriculture and climate change. The secretary shall make all feasible efforts to appoint members of the advisory committee who reflect a range of views from agricultural, scientific, environmental protection, and resource conservation interests that will enhance the successful implementation of this part.

(f) A member of the committee shall serve for a term of three years, except that the secretary shall appoint the original members of the committee for staggered terms as follows:

(1) One member appointed pursuant to paragraphs (1), (2), and (3) of subdivision (a) shall serve for one year.

(2) Two members appointed pursuant to paragraph (1), and one member appointed pursuant to paragraphs (2) and (3), of subdivision (a) shall serve for two years.

(3) Two members appointed pursuant to paragraph (1), and one member appointed pursuant to paragraphs (2) and (3), of subdivision (a) shall serve for three years.

(g) In administering grant funds pursuant to Section ~~38602~~ 38603, the secretary shall seek and consider input from the advisory

committee on matters related to the purposes of this part, including, but not limited to, all of the following:

- (1) Establishing criteria for grant proposals.
- (2) Reviewing grant proposals.
- (3) Recommendations regarding the approval of grant proposals.
- (4) Recommendations regarding the implementation of this part.

(h) Advisory committee members shall recuse themselves from reviewing grant proposals from any grant category in which either of the following conditions are met:

(1) For a member appointed pursuant to paragraph (1) or (3) of subdivision (a), if a person from the same private business or nonprofit organization as the member has applied for a grant pursuant to this part and would directly benefit from the grant funding.

(2) For a member appointed pursuant to paragraph (2) of subdivision (a), if a person from the same department or field station as the member has applied for a grant pursuant to this part and would directly benefit from the grant funding.

(i) Advisory committee members shall not be required to recuse themselves from reviewing grant proposals in any grant category for which the conditions of subdivision (h) have not been met.

(j) The secretary shall designate department staff to provide appropriate staff services to the advisory committee.

~~38604.~~

38605. In establishing criteria for grant proposals and awarding grants, the advisory committee and the secretary shall do all of the following:

(a) Give priority to proposals for research and demonstration projects, pursuant to paragraph (1) of subdivision (b) of Section ~~38602~~ 38603, that include multiple coapplicants and that include at least one agricultural producer in the development and implementation of the project.

(b) Consider the appropriate use of matching funds requirements for research and demonstration projects and technical assistance projects, pursuant to paragraphs (1) and (2) of subdivision (b) of Section ~~38602~~ 38603, provided that matching funds requirements not exceed 25 percent of the total award by the state.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school

1 *district will be incurred because this act creates a new crime or*
 2 *infraction, eliminates a crime or infraction, or changes the penalty*
 3 *for a crime or infraction, within the meaning of Section 17556 of*
 4 *the Government Code, or changes the definition of a crime within*
 5 *the meaning of Section 6 of Article XIII B of the California*
 6 *Constitution.*

7
 8 _____
 9 CORRECTIONS:
 10 Text—Page 4.
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